

Together with all and singular the rights, benefits, and advantages in any way incident or appertaining and all of the appurtenances thereto, and including all heating, plumbing, and lighting fixtures, and in connection with the real estate herein described.

TO HAVE AND TO HOLD, all and singular the said premises unto the Mortgagee and his heirs forever.

The Mortgagor covenants that he is lawfully seized of the premises hereinafter described in fee simple, absolute, that he has good right and lawful authority to sell, convey, and mortgage the same, and that the premises are free and clear of all liens and encumbrances whatsoever. The Mortgagor covenants that he will forever defend all and singular the premises unto the Mortgagee forever, his heirs, assigns, and assigns, and his heirs and assigns whomsoever lawfully claiming the same or any part thereof.

The Mortgagor covenants and agrees as follows:

1. That he will promptly pay the principal of and interest on the indebtedness evidenced hereby (including any interest on interest) at the times and in the manner therein provided. Privilege is reserved by the Mortgagee to require the Mortgagor to make one or more monthly payments on the principal that are next due on the note on the first day of any month next to maturity; provided, however, that written notice of an intention to exercise such privilege is given to the Mortgagor (30) days prior to prepayment; and, provided, further, that in the event the debt is paid in full prior to maturity and at that time it is insured under the provisions of the National Housing Act, he will pay to the Mortgagee an insurance premium charge of one per centum (1%) of the original principal amount thereof, and if the aggregate amount of the adjusted premium exceed the aggregate amount of premium charges which would have been payable had the mortgage had continued to be insured until maturity, such payment to be applied by the Mortgagee to the Secretary of Housing and Urban Development on account of mortgage insurance.

2. That, together with, and in addition to, the monthly payments of principal and interest payable under the terms of the note secured hereby, he will pay to the Mortgagee on the first day of each month until the principal is fully paid, the following sums:

(a) An amount sufficient to provide the holder hereof with funds to pay the mortgage taxes and assessments, and the mortgage and the note secured hereby are insured, or a monthly charge (in lieu of a mortgage insurance premium) to be held by the Secretary of Housing and Urban Development, as follows:

(I) If and so long as said note of even date and this instrument are subject to the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the Secretary of Housing and Urban Development the annual mortgage insurance premium, in order to provide such premium as required by the Secretary of Housing and Urban Development pursuant to the National Housing Act or any amendments thereof or Regulations thereunder; or

(II) If and so long as said note of even date and this instrument are held by the Secretary of Housing and Urban Development, a monthly charge (in lieu of a mortgage insurance premium) which shall be in an amount equal to one-twelfth (1/12) of one-half (1/2) per centum of the average outstanding balance due on the note computed without taking into account delinquencies or prepayments;

(b) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid in advance, to be held by the Mortgagee in trust to pay said ground rents, premiums, taxes, and special assessments; and such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes, and special assessments; and

(c) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid by the Mortgagor each month in a single payment to be applied by the Mortgagee to the following items in the order set forth:

- (I) premium charges under the contract of insurance with the Secretary of Housing and Urban Development, or monthly charge (in lieu of mortgage insurance premium), as the case may be;
- (II) taxes, special assessments, fire and other hazard insurance premiums;
- (III) interest on the note secured hereby; and
- (IV) amortization of the principal of said note.

Any deficiency in the amount of any such aggregate monthly payment, shall, unless made good by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. The Mortgagee may collect a "late charge" not to exceed two cents (2¢) for each dollar (\$1) of each payment more than fifteen (15) days in arrears to cover the extra expenses involved in handling delinquent payments.

3. If the total of the payments made by the Mortgagor under (b) of paragraph 2 preceding shall exceed the amount of payments actually made by the Mortgagor for taxes or assessments or insurance premiums, or payments made for such excess shall be credited by the Mortgagee on subsequent payments to be made by the Mortgagor. If, however, the monthly payments made by the Mortgagor under (b) of paragraph 2 preceding shall not be sufficient to pay taxes and assessments and insurance premiums, when the same shall become due and payable, then the Mortgagor shall pay to the Mortgagee any amount necessary to make up the deficiency, or, before the date when payment of such taxes, assessments, or insurance premiums shall be due. If at any time the Mortgagor shall fail to pay to the Mortgagee in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness provided thereby, the Mortgagee shall, in computing the amount of such indebtedness, include the amount of the Mortgagor's all payments made under the provisions of (a) of paragraph 2 hereof which the Mortgagee has not been obligated to pay to the Secretary of Housing and Urban Development, and any other amounts which the Mortgagor has paid under the provisions of (b) of paragraph 2 hereof. If the Mortgagor shall default in the performance of any of the obligations of this mortgage resulting in a public sale of the premises covered hereby, or if the property is otherwise sold, the